

Agency 090

**Office of State Treasurer****Recommendation Summary**

Dollars in Thousands

|   | Annual FTEs | General Fund State | Other Funds | Total Funds |
|---|-------------|--------------------|-------------|-------------|
| <b>2003-05 Expenditure Authority</b>                        | 72.9        |                    | 13,564      | 13,564      |
| <b>Total Maintenance Level</b>                              | 73.2        |                    | 13,811      | 13,811      |
| Difference  | .3          |                    | 247         | 247         |
| Percent Change from Current Biennium                        | 0.3%        |                    | 1.8%        | 1.8%        |
| <b>Performance Changes</b>                                  |             |                    |             |             |
| Middle Management Reduction                                 | (1.0)       |                    | (112)       | (112)       |
| General Inflation   |             |                    | (31)        | (31)        |
| <b>Subtotal</b>   | (1.0)       |                    | (143)       | (143)       |
| <b>Total Proposed Budget</b>                                | 72.2        |                    | 13,668      | 13,668      |
| Difference  | (.8)        |                    | 104         | 104         |
| Percent Change from Current Biennium                        | (1.0)%      |                    | 0.8%        | 0.8%        |
| <b>Total Proposed Budget by Activity</b>                    |             |                    |             |             |
| Accounting and Fiscal Services for Treasury and Trust Funds | 14.8        |                    | 2,660       | 2,660       |
| Administration  | 10.0        |                    | 1,597       | 1,597       |
| Banking Services  | 24.7        |                    | 4,653       | 4,653       |
| Debt Management Services                                    | 14.6        |                    | 2,929       | 2,929       |
| Investment Services   | 9.1         |                    | 1,941       | 1,941       |
| Middle Management Reduction                                 | (1.0)       |                    | (112)       | (112)       |
| <b>Total Proposed Budget</b>                                | 72.2        |                    | 13,668      | 13,668      |

**PERFORMANCE LEVEL CHANGE DESCRIPTIONS****Middle Management Reduction**

The Governor has directed that middle management be reduced by 1,000 positions by the end of the biennium. This item is this agency's share of the statewide amount.

**ACTIVITY DESCRIPTIONS****Accounting and Fiscal Services for Treasury and Trust Funds**

The State Treasurer maintains a correct and current account of all monies received and disbursed, classified by fund or account, as well as agency level accounting for investments, distributions, and debt management activity. All cash activity is accounted for and electronically interfaced to the statewide Agency Financial Reporting System (AFRS). (State Treasurer's Service Account)

## **GOVERNMENTAL OPERATIONS**

### **Administration**

The State Treasurer, a constitutional officer elected to serve a four-year term, is the state's chief fiscal officer. The Treasurer's Office provides banking, investment, debt management, and accounting services for state government, keeping the books and managing taxpayers' money from the time it is collected in taxes until it is spent on programs by the Legislature. The office receives the state's cash resources, invests the money each business day to earn interest, and disburses funds to numerous entities, including agencies, local governments, and active and retired state employees. Office business functions are supported by a fully functional information processing environment. (State Treasurer's Service Account)

### **Banking Services**

The State Treasurer receives and deposits monies remitted to the state, and manages the disbursement of funds to state and local governments, vendors, beneficiaries, claimants, and employees. These banking services are provided to state agencies through the Cash and Warrant Management Division. The division promotes responsible financial practices to ensure the unimpeded inflow of monies to the state's bank accounts and the timely outflow of monies to payees. The warrant management section releases, redeems, and maintains the records of warrants that bear the signature of the State Treasurer. The division also is responsible for the negotiation and management of numerous financial contracts and agreements, and works in cooperation with other state agencies in support of Digital Government initiatives. (State Treasurer's Service Account)

### **Debt Management Services**

Bond Retirement and Interest, Agency 010, is part of the Office of the State Treasurer, and is commonly referred to as Debt Management. The major functions of this activity include support to the State Finance Committee, debt issuance, the State/Local Lease Purchase Program, the School Bond Guarantee program, and payments to bondholders. (State Treasurer's Service Account)

### **Investment Services**

The Investment Division invests a pool of the state's operating and capital cash reserves for maximum return under defined risk parameters, while still providing sufficient liquidity to meet agency cash requirements. The Investment Division also separately invests and administers the Local Government Investment Pool (LGIP), a pooled investment program which serves more than 400 local government cash managers. Pooled investments and other services allow state and local governments to share in the expertise of the State Treasurer and its investment staff, and reap the benefits of the economies of scale. (State Treasurer's Service Account)

### **Middle Management Reduction**

The Governor has directed that middle management be reduced by 1,000 positions by the end of the biennium. This item is this agency's share of the statewide amount.